



April 5, 1999

Attention: Treasury

I am writing on behalf of **Community Housing Development Corporation of North Richmond(CHDC)** - a community based, non-profit, affordable housing developer, incorporated in 1990. Our objective is to develop affordable housing for residents of North Richmond, as well as those who are outside of the area.

CHDC urge Treasury to prohibit check cashiers, and other "payment service providers" from providing recipients access to electronic federal benefits, as a part of EFT'99. Check cashiers prey upon low-income consumers, and deny their customers the consumer protections provided at mainstream financial institutions. Treasury began EFT'99 with the stated goal of bringing the unbanked into the financial mainstream allowing check cashiers to be the access point for federal benefits recipients to receive their funds, however; they're doing exactly the opposite.

Check cashiers force consumers to pay excessive fees for transactions that should be available to them at a reasonable cost. ie. California check cashiers charge an annual percentage rate of almost 400% for a payday loan! This ate is to high, and prevents recipients from accessing federal benefits at a feasible rate.

If federal benefits recipients have an account with federally insured financial institutions, check cashiers may withhold federal funds as payment for past sums owed to the check cashiers.

The number of check cashiers has doubled since 1990, and is steadily growing. this profitable industry makes no reinvestment back into low-income communities where they operate.

Please prohibit arrangements wherein recipients are not of electronic federal payments gain access to benefits through non-depository payment service providers.

Sincerely,

A handwritten signature in cursive script that reads "Donald Gilmore".

Donald Gilmore

Executive Director

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